

## Pet Insurance - UK - August 2015

Report Price: £1750.00 | \$2834.04 | €2223.04

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“The pet insurance market has huge potential for growth, with 56% of pet owners currently uninsured. Pet insurers that wish to capitalise on this opportunity, however, face an uphill struggle as those yet to take out an insurance policy are put off by accelerating premiums that leave them questioning the value of the product.”  
 – Jessica Morley, Financial Services Analyst

### This report looks at the following areas:

- Insurers need to prove their value
- Replacing basic cover with simpler, niche policies
- Difficulties in switching affect competition

After a disappointing year in 2013, the pet insurance market grew strongly in 2014 and is expected to do so again in 2015. Mintel forecasts that the total value of gross written premiums will reach £988 million by the end of the year and £1.5 billion by 2020.

Such strong growth is driven by policyholders who are already convinced of the benefits of the product and more likely to increase their coverage level (where possible) than they are to cancel. In addition, the market remains under-penetrated, with just 44% of pet owners currently owning an insurance policy.

However, pet insurers face a struggle to capitalise on this growth opportunity as rising pet insurance premiums leave many pet owners questioning the value of the product. This unresolved issue represents one of the central themes of Mintel's report, which provides an overview of the market's size and composition, its strengths and weaknesses, recent innovation and promotional activity. In addition, Mintel's online consumer survey offers insight into the attitudes of pet owners towards pet insurance, pet insurers and interest levels amongst pet owners in alternative products to comprehensive pet insurance policies.

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### DID YOU KNOW?

This report is part of a series of reports, produced to provide you with a more holistic view of this market

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13% annual increase in premium income

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Number of cat and dog owners subscribing to pet insurance increases, but market remains under-penetrated

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Increase in advertising expenditure fails to take spend above peak

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Majority of insured pets are covered by a lifetime policy

Advertising spend and market experience drives up popularity of specialist pet insurers

62% of policy owners influenced by online factors in policy selection

Confusion about coverage increases the likelihood of complaints

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- Taking out a policy is the right decision for most
- Highlighting high levels of trust can boost product uptake
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- Providers need to raise awareness of costs to boost customer pool
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